

EMBARGO:

NOT FOR RELEASE BEFORE 6 P.M. ON 3/11/72



PRIME MINISTER

FOR PRESS:

PM. No. 99/1972

LOAN TO FIJI

Statement by the Prime Minister, the Rt. Hon. William McMahon, C.H., M.P.

The Prime Minister, Mr McMahon, announced today, that in response to a request of the Fiji Government, the Australian Government had decided to join with the International Bank for Reconstruction and Development and New Zealand in helping to finance a road project in Fiji.

The project, which entails extensive reconstruction work on the road between Nadi and Suva, will be the largest, most expensive, single project in Fiji's history. It has been thoroughly examined by the World Bank, and has been cleared through that Bank's procedures for selecting economically viable projects.

The International Bank for Reconstruction and Development and New Zealand have agreed to co-operate in financing most of the foreign exchange cost of the project. Australia has agreed to lend \$US2.7M. on terms similar to those offered by the other two lenders.

Australia's loan will be outside, and additional to, the \$A15M. aid programme recently approved for bilateral aid to developing countries in the South-West Pacific, including Fiji over the next few years.

Mr McMahon added that he was particularly pleased that Australia was able to assist in financing this project in Fiji, which will make a significant contribution to the economic development of one of our closest neighbours in the Pacific.

CANBERRA,

8 November, 1972